![FTI Consulting logo]

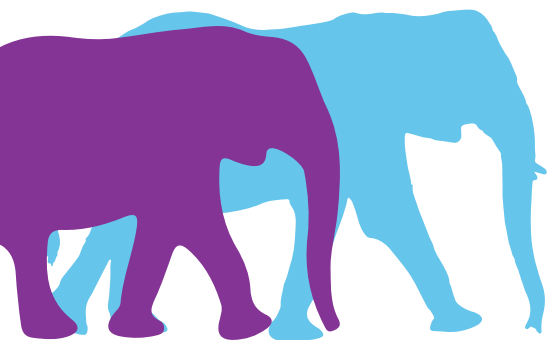**IDENTIFYING AND OVERCOMING BARRIERS IN CHANGE**

Do you feel the "elephant in the room"?

What's the deal with this elephant? And what's he got to do with change? In the context of transformations, the proverb describes problems, questions or concerns that employees are not articulating and therefore remain unaddressed – these can act as barriers and stand in the way of a successful change process.

It is crucial for a successful change process to give employees an opportunity to voice, discuss and identify their barriers to change

Various studies have shown that approximately 70% of change processes in companies fail. At best, change management follows a clearly structured, strategic approach that accompanies the change from start to finish. At FTI Consulting, we see the identification and removal of **change barriers** - which can impede, delay or even block the change - to be a crucial success factor. Unfortunately, it is a frequently underestimated step for many transformations.

When looking at a typical change process, there are generally **two types of barriers**. On the one hand, there are barriers that affect the fundamental requirements to enable the new target state, that set the frame for the change to be successful. These barriers can typically be steered and managed centrally. For example, central barriers may include that an organizational or departmental set-up and structure no longer corresponds to the desired target state; that your existing systems, processes, incentive and remuneration systems prevent the desired behaviors and ways of working; that you may have a gap when it comes to skills, roles and talents to reach your target state. These issues can be identified at an early stage. Corporate Functions such as Human Resources, Finance and IT need to be on board to tackle these central barriers and create the right conditions in which change can be successful.control.

Central Barriers	Decentral and individual Barriers
• Organizational structure • Operating model, governance and decision-making • Corporate culture • Incentive and remuneration systems • Processes and systems (e.g. IT, Finance) • Competencies and know-how • Roles and positionsTalents and development • Recruitment and onboarding	• Concerns, uncertainties, misunderstandings • Knowledge and understanding of the need for change, the target picture and its benefits • Ability to implement the change and meet new requirements • Motivation and courage to change • Enablement to change • Behaviors, habits, beliefs

Some examples for central and decentral barriers to change.

On the other hand, there are numerous **individual and decentral barriers** that may jeopardize the successful implementation of change. These are generally more difficult to identify and often lead to resistance among employees. Every change process is primarily about changing behaviors, ways of working or people's attitudes. If employees are not willing to change or feel insufficiently empowered to do so, if they have fears and uncertainties, this often results in resistance, unproductiveness or stagnation. There are many reasons for this: employees lack the knowledge and the understanding of the need for change, they are uncertain about the vision and the benefits of the change, or they do not have the skills and know-how to implement the changing requirements. They do not feel understood, supported and empowered to fulfill the new tasks. If the reasons for these individual barriers are known, they can for example be addressed through training, interventions and communication.

However, most of the time employees do not address these barriers proactively and the elephant remains in the room. Why don't they speak-up? Often, they are not asked or given the opportunity to do so. Employees may also be concerned about possible disadvantages if they speak up, ask questions or do not understand the change. They are afraid of breaking taboos or shedding bad light on their supervisors or themselves. Or they may have the feeling that they are not listened to and that their concerns are not taken seriously.

As a result, it is crucial for a successful change process to give employees an opportunity to voice, discuss and identify their barriers to change. Our experience shows that it is important to establish a feedback culture that enables two-way communication. In addition to conventional methods of employee feedback – such as online surveys, focus groups and individual interviews – there is a wide range of possibilities to actively involve employees in the change process, give them a voice and a part to play. You will be surprised what great ideas, input and feedback you will receive that will enrich your change process and speed up implementation. One of these possibilities are dialog formats, which can take place at different times during the change process. Dialog formats enable employees to receive information about the change and its target state but more importantly give them the chance to provide feedback and input to their managers or the project team. They can be rolled out across the entire organization or parts that are affected by the change and can take place either virtually or physically. The project or change team can deal with the identified barriers centrally, or they can address them locally, on a regional or functional basis – exactly where they matter.

Besides identifying barriers, **dialog formats** have another important advantage: the mere fact that problems and misunderstandings are brought to the table and employees are actively involved in the change process, can remove first barriers where they arise. Uncomfortable topics may be addressed and the "elephant in the room" disappears and makes space for the actual change to take place.

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About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.